

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

NOTICE OF MARKET DOMINANT
PRICE ADJUSTMENT

DOCKET NO. R2013-7

COMMENTS OF DAVID B. POPKIN

May 29, 2013

Respectfully submitted,

PRCr20137COMMENTS

DAVID B. POPKIN, POST OFFICE BOX 528, ENGLEWOOD, NJ 07631-0528

The following are my comments on the Postal Service's Notice of Market-Dominant Price Adjustment.

The Notice provides for automatically including, at no extra charge, \$50 or \$100 of insurance coverage with most Priority Mail pieces.

Currently, Priority Mail users [as well as other users except for Express Mail] must pay for all domestic insurance coverage of \$0.01 to \$5000.00 at fees ranging from \$1.95 to \$59.15.

Express Mail users presently automatically receive, at no extra charge, \$100 of insurance coverage. For coverage between \$100.01 and \$200.00, Express Mail users pay a fee of only \$0.90. For coverage between \$200.01 and \$500.00, Express Mail users have a fee of \$2.40. For coverage between \$500.01 and \$5000.00, Express Mail users have a fee of \$2.40 plus \$1.55 for each \$500 or fraction thereof over \$500. The Express Mail insurance fee for \$5000 insurance is \$16.35.

INSURANCE DESIRED			CURRENT FEE FOR EXPRESS MAIL	CURRENT FEE FOR ALL SERVICES EXCEPT EXPRESS MAIL	PROPOSED FEE FOR PRIORITY MAIL
\$0.01	TO	\$50	\$0.00	\$1.95	\$0.00
\$50.01	TO	\$100	\$0.00	\$2.45	\$0.00/\$2.45
\$100.01	TO	\$200	\$0.90	\$3.05	\$3.05
\$200.01	TO	\$300	\$2.40	\$5.10	\$5.10
\$300.01	TO	\$400	\$2.40	\$6.25	\$6.25
\$400.01	TO	\$500	\$2.40	\$7.40	\$7.40
\$500.01	TO	\$600	\$3.95	\$8.55	\$8.55
\$600.01	TO	\$700	\$3.95	\$9.70	\$9.70
\$700.01	TO	\$800	\$3.95	\$10.85	\$10.85
\$800.01	TO	\$900	\$3.95	\$12.00	\$12.00
\$900.01	TO	\$1,000	\$3.95	\$13.15	\$13.15
\$1,000.01	TO	\$1,100	\$5.50	\$14.30	\$14.30
\$1,100.01	TO	\$1,200	\$5.50	\$15.45	\$15.45
\$1,200.01	TO	\$1,300	\$5.50	\$16.60	\$16.60
\$1,300.01	TO	\$1,400	\$5.50	\$17.75	\$17.75
\$1,400.01	TO	\$1,500	\$5.50	\$18.90	\$18.90
\$1,500.01	TO	\$1,600	\$7.05	\$20.05	\$20.05
\$1,600.01	TO	\$1,700	\$7.05	\$21.20	\$21.20
\$1,700.01	TO	\$1,800	\$7.05	\$22.35	\$22.35
\$1,800.01	TO	\$1,900	\$7.05	\$23.50	\$23.50
\$1,900.01	TO	\$2,000	\$7.05	\$24.65	\$24.65
\$2,000.01	TO	\$2,100	\$8.60	\$25.80	\$25.80
\$2,100.01	TO	\$2,200	\$8.60	\$26.95	\$26.95
\$2,200.01	TO	\$2,300	\$8.60	\$28.10	\$28.10
\$2,300.01	TO	\$2,400	\$8.60	\$29.25	\$29.25
\$2,400.01	TO	\$2,500	\$8.60	\$30.40	\$30.40
\$2,500.01	TO	\$2,600	\$10.15	\$31.55	\$31.55
\$2,600.01	TO	\$2,700	\$10.15	\$32.70	\$32.70
\$2,700.01	TO	\$2,800	\$10.15	\$33.85	\$33.85
\$2,800.01	TO	\$2,900	\$10.15	\$35.00	\$35.00
\$2,900.01	TO	\$3,000	\$10.15	\$36.15	\$36.15
\$3,000.01	TO	\$3,100	\$11.70	\$37.30	\$37.30
\$3,100.01	TO	\$3,200	\$11.70	\$38.45	\$38.45
\$3,200.01	TO	\$3,300	\$11.70	\$39.60	\$39.60

\$3,300.01	TO	\$3,400		\$11.70		\$40.75		\$40.75
\$3,400.01	TO	\$3,500		\$11.70		\$41.90		\$41.90
\$3,500.01	TO	\$3,600		\$13.25		\$43.05		\$43.05
\$3,600.01	TO	\$3,700		\$13.25		\$44.20		\$44.20
\$3,700.01	TO	\$3,800		\$13.25		\$45.35		\$45.35
\$3,800.01	TO	\$3,900		\$13.25		\$46.50		\$46.50
\$3,900.01	TO	\$4,000		\$13.25		\$47.65		\$47.65
\$4,000.01	TO	\$4,100		\$14.80		\$48.80		\$48.80
\$4,100.01	TO	\$4,200		\$14.80		\$49.95		\$49.95
\$4,200.01	TO	\$4,300		\$14.80		\$51.10		\$51.10
\$4,300.01	TO	\$4,400		\$14.80		\$52.25		\$52.25
\$4,400.01	TO	\$4,500		\$14.80		\$53.40		\$53.40
\$4,500.01	TO	\$4,600		\$16.35		\$54.55		\$54.55
\$4,600.01	TO	\$4,700		\$16.35		\$55.70		\$55.70
\$4,700.01	TO	\$4,800		\$16.35		\$56.85		\$56.85
\$4,800.01	TO	\$4,900		\$16.35		\$58.00		\$58.00
\$4,900.01	TO	\$5,000		\$16.35		\$59.15		\$59.15

As noted above, the Express Mail insurance rates have a phasing in of the insurance rates between the free level of insurance and all of the rate bands above that. Without that phasing in, there will be a rate shock for Priority Mail users of going from no fee for \$100 coverage to \$3.05 for \$100.01 coverage. A phasing in should be provided for the Priority Mail users.

Some part of the fee for the Priority Mail underlying service must be allocated to the free insurance. Without the phasing in of the rates, as is done with Express Mail, use of the same fees for Priority Mail and non-Priority Mail service is inappropriate.

As noted in Footnote 3, Automatic insurance coverage will not be offered with Priority Mail pieces sent using the following services: Merchandise Return Service, Priority Mail Open and Distribute, or Premium Forwarding Service. These services have fees which are related to the fees for Priority Mail. The USPS Notice does not provide the rationale for not providing the free insurance for these categories nor does it

provide for a reduction in price for these services which do not receive the free insurance.